

H. 13
No. 316

September 13, 1967.

CAPITAL MARKET DEVELOPMENTS ABROAD

- I. Ten Charts on Financial Markets Abroad
- II. Latest Figures Plotted in H.13 Chart Series, 1967

I. Ten Charts on Financial Markets Abroad

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- Chart 2 - London: Yields for U.S. Dollar Investors on 3-month Funds
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- Chart 4 - Interest Arbitrage: New York/Canada
- Chart 5 - Interest Arbitrage: New York/London
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- Chart 8 - Spot Exchange Rates--Major Currencies Against U.S. Dollar
- Chart 9 - 3-month Forward Exchange Rates
- Chart 10 - Industrial Stock Indices

Europe and British Commonwealth Section.

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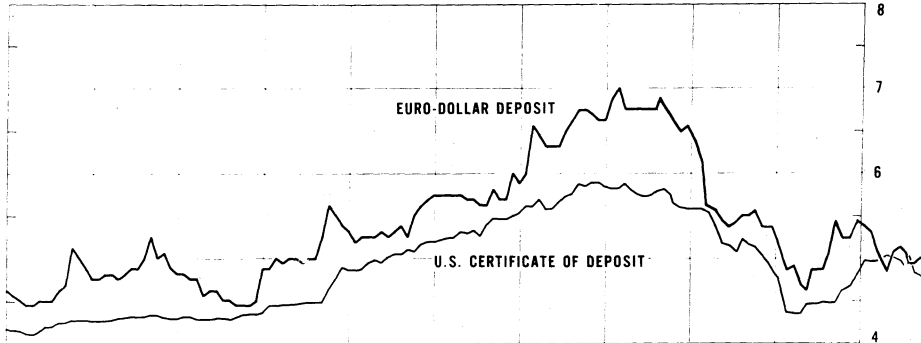
Chart 1

2

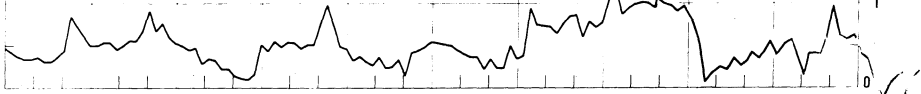
**NEW YORK, LONDON, MONTREAL:
YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS
DOLLAR DEPOSIT RATES: NEW YORK-LONDON**

Wednesday figures

Per cent per annum



**EURO-DOLLAR OVER
U.S. CERTIFICATE OF DEPOSIT**



FINANCE CO. PAPER RATES (covered): QUOTED IN NEW YORK

Friday figures

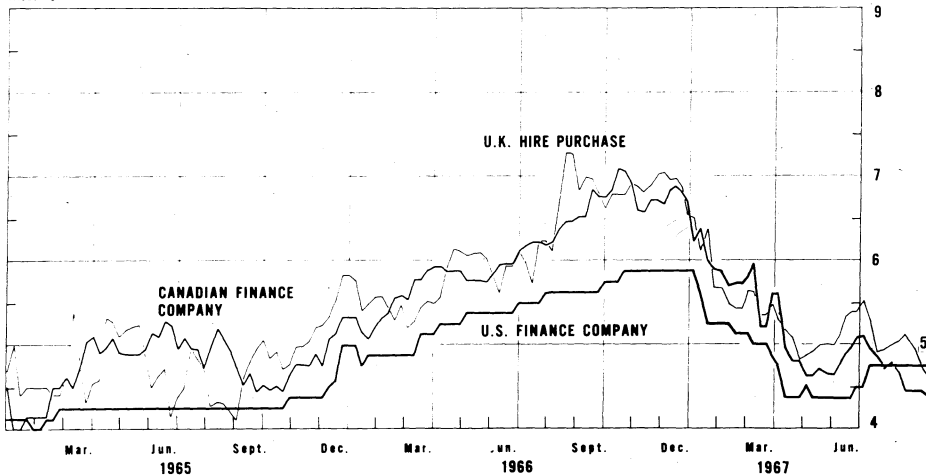
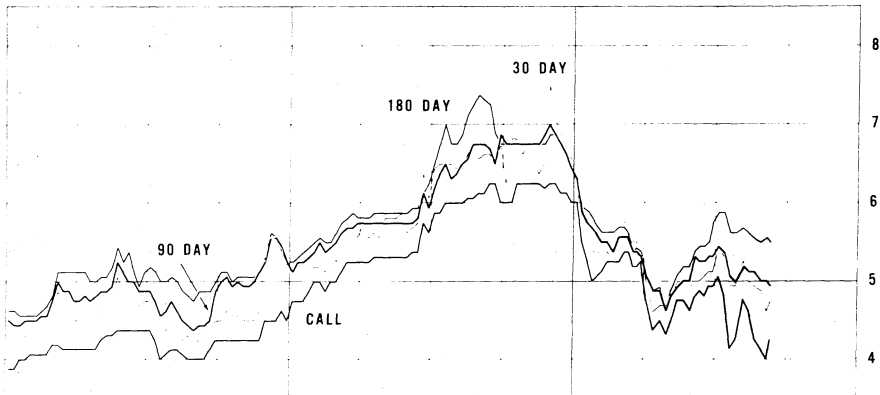


Chart 2

LONDON: YIELDS FOR U.S. DOLLAR INVESTORS ON 3-MONTH FUNDS EURO-DOLLAR DEPOSIT RATES

Friday figures

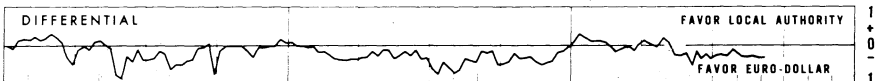
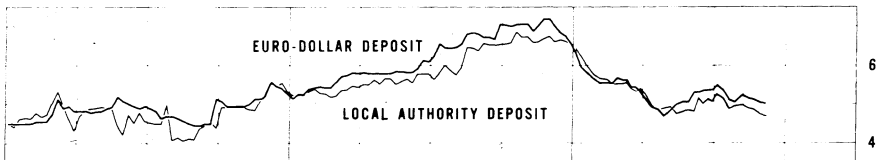
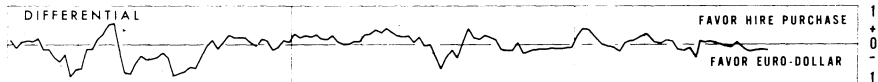
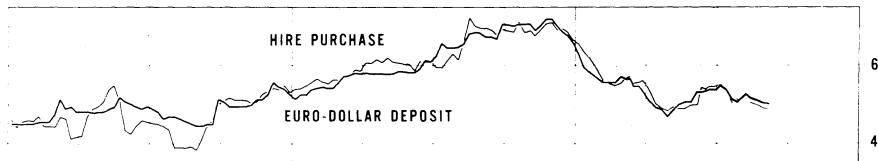
Per cent per annum



HIRE PURCHASE AND LOCAL AUTHORITY DEPOSIT RATES (covered)

Friday figures

Per cent per annum



1965

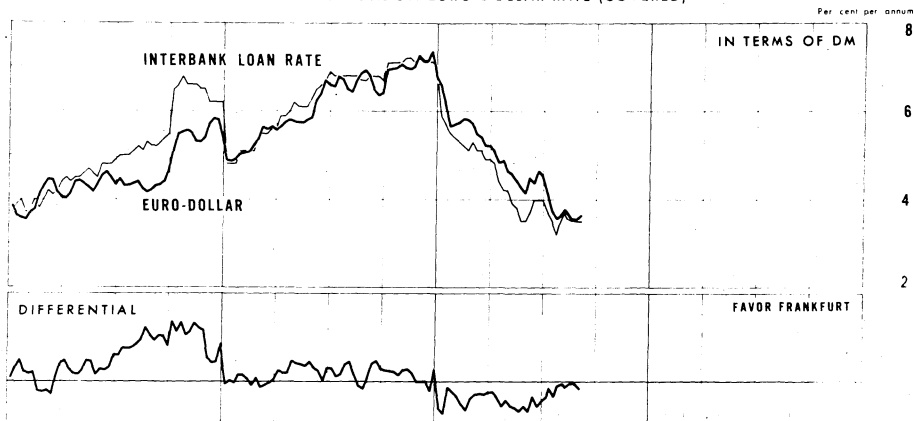
1966

1967

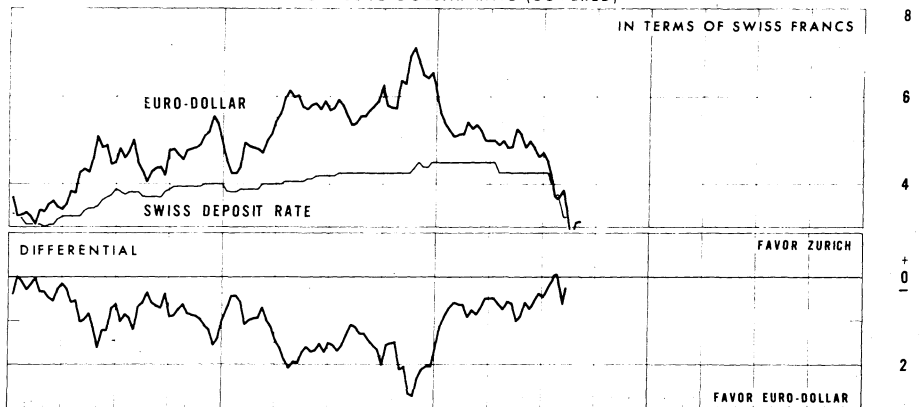
Chart 1

I INTEREST ARBITRAGE: FRANKFURT/LONDON, ZURICH/LONDON

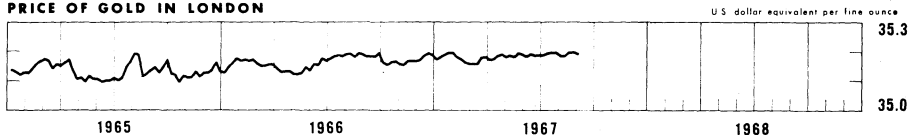
FRANKFURT INTERBANK LOAN RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



ZURICH DEPOSIT RATE VS. LONDON EURO-DOLLAR RATE (COVERED)



II PRICE OF GOLD IN LONDON



INTEREST ARBITRAGE, UNITED STATES/CANADA

Friday Figures

Per cent per annum

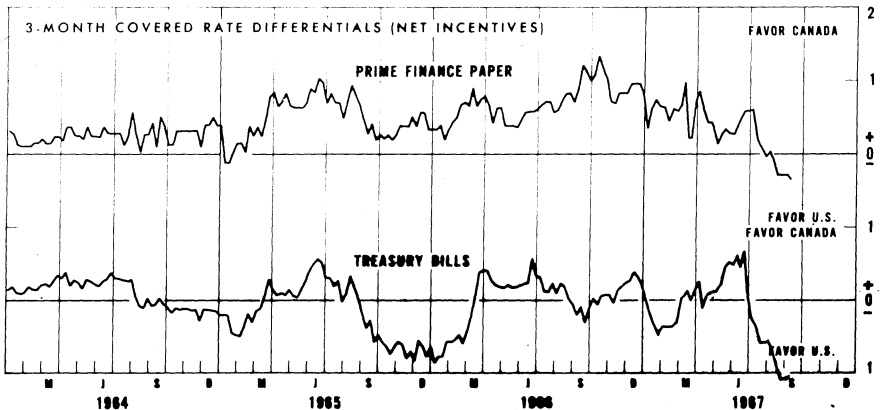
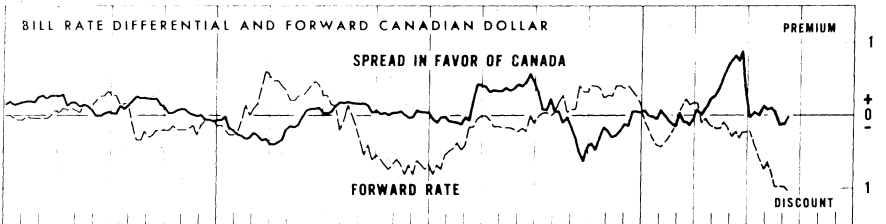
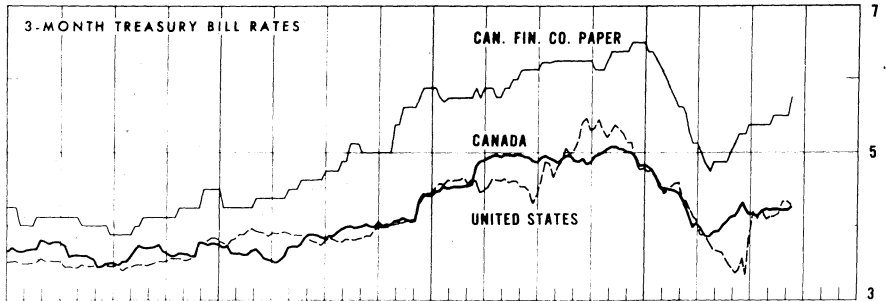
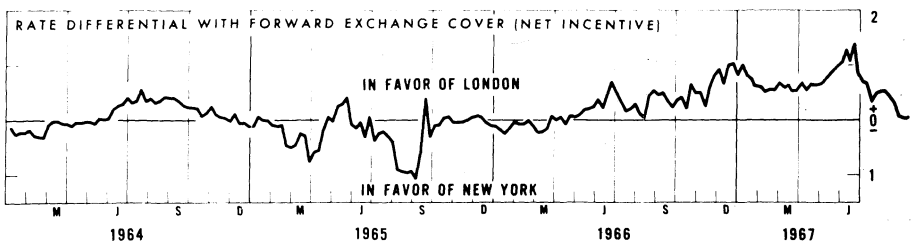
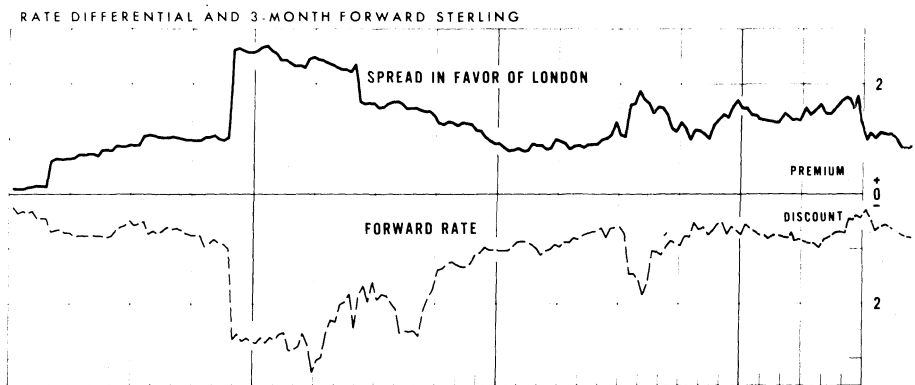
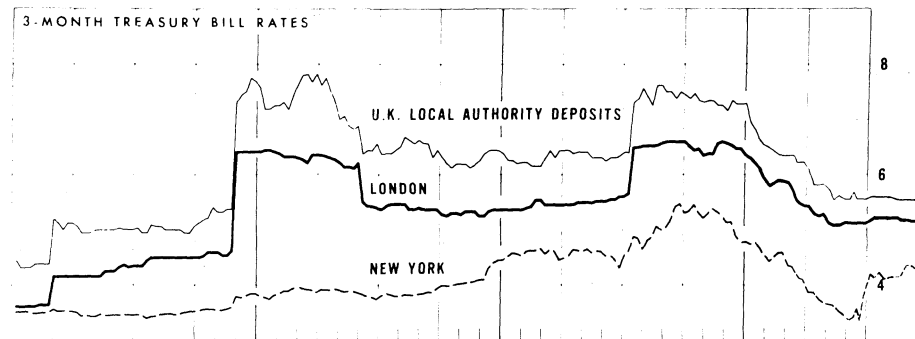


Chart 5
INTEREST ARBITRAGE, NEW YORK/LONDON

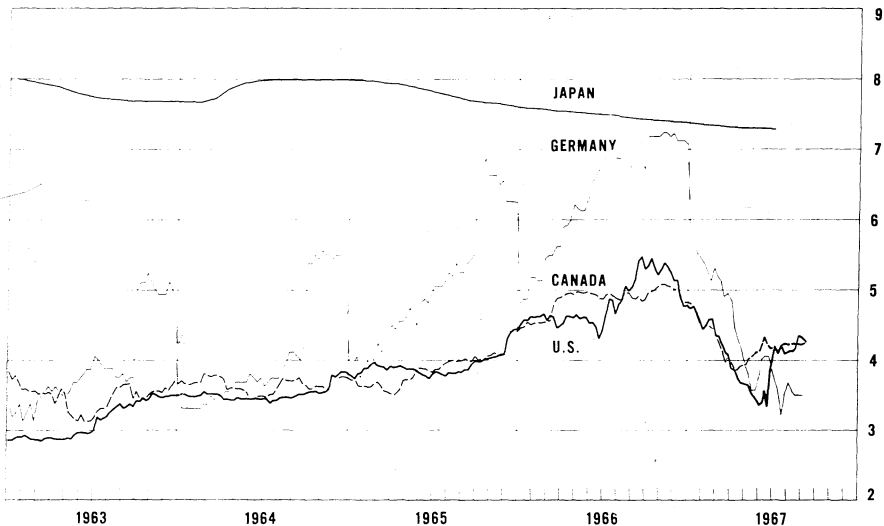
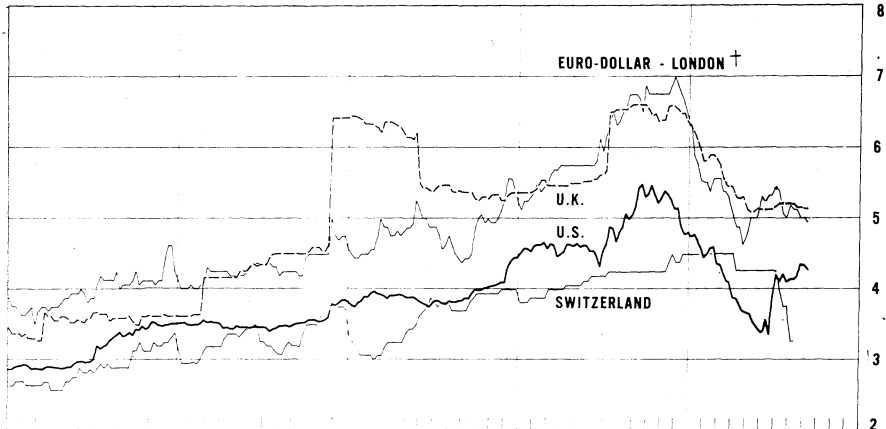
6

Per cent per annum



SHORT-TERM INTEREST RATES *

Per cent per annum



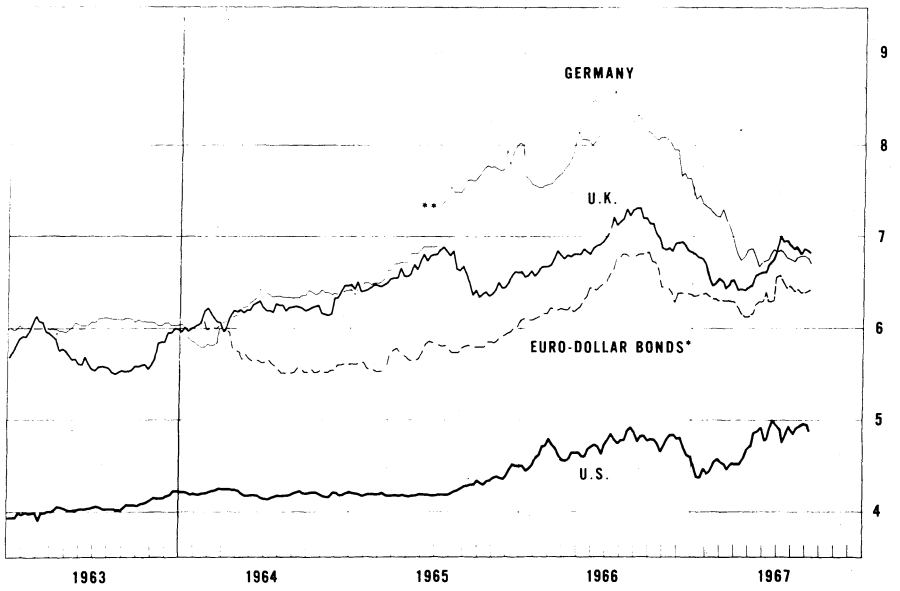
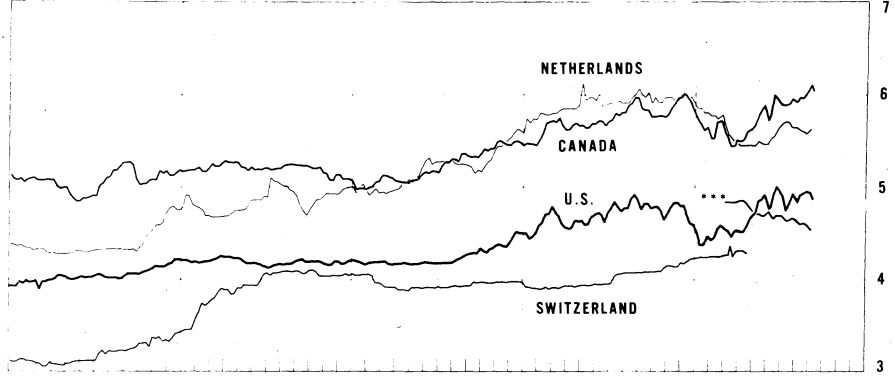
* 3 month treasury bill rates for all countries except Japan (Average rate on bank loans and discounts), Switzerland (3 month deposit rate), and Germany (Interbank Loan Rate).

† 3 month rate for U.S. dollar deposits in London

Chart 7
LONG-TERM BOND YIELDS

Weekly figures

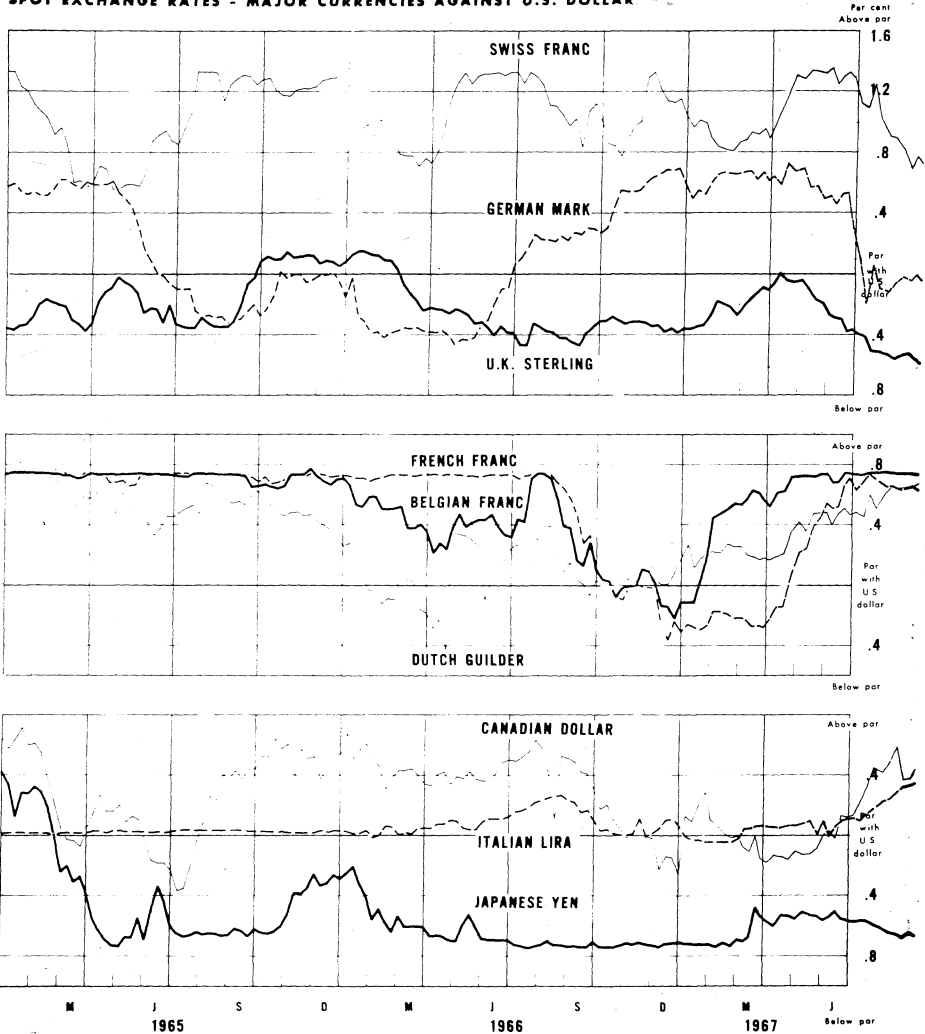
Per cent per annum



- * Average of yields for four foreign government dollar bonds quoted in London
- ** New series for Germany starts 7.9.65
- *** New series for Switzerland starts 3.3.67

Chart 8

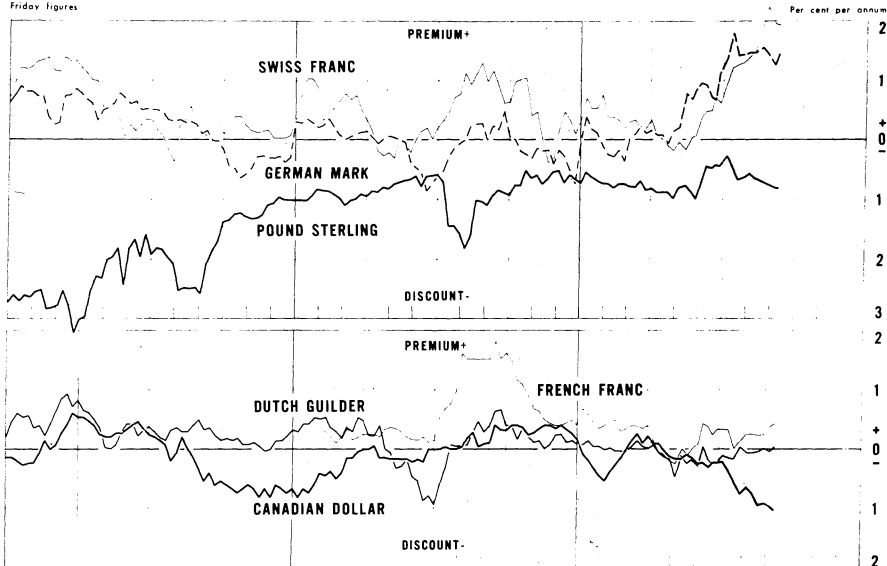
SPOT EXCHANGE RATES - MAJOR CURRENCIES AGAINST U.S. DOLLAR



3-MONTH FORWARD EXCHANGE RATES

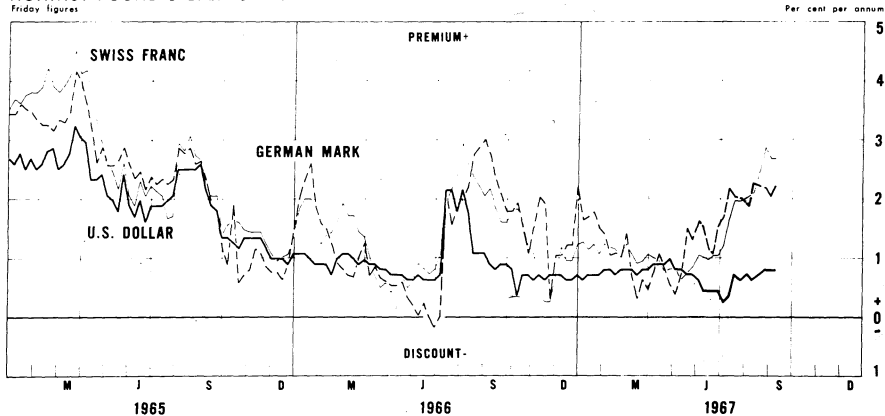
AGAINST U.S. DOLLARS—NEW YORK

Friday figures

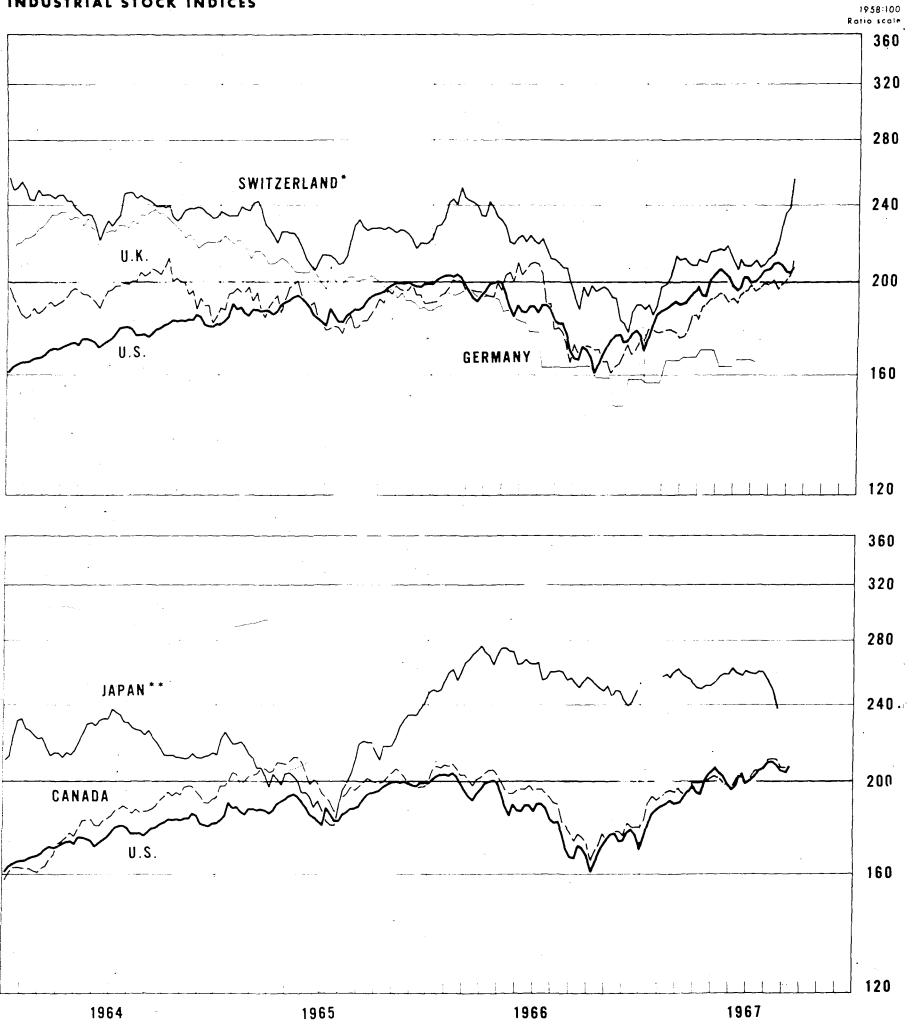


AGAINST POUND STERLING—LONDON

Friday figures



INDUSTRIAL STOCK INDICES



* Swiss Bank Corporation industrial stock index
** Japan index of 225 industrial and other stocks traded on the Tokyo exchange

H.13

No. 316

II. Latest Figures Plotted in H.13 Chart Series, 1967
(all figures per cent per annum)

12.

Chart 1
Upper Panel (Wednesday, Sept. 6)

Euro-\$ deposit	<u>5.00</u>
U.S. certif. of deposit (Aug. 30)	<u>4.85</u>
(Sept. 6)	<u>4.80</u>

Lower Panel (Friday, Sept. 8)

Finance co. paper: U.S.	<u>4.75</u>
Canada	<u>4.40</u>
Hire-purchase paper, U.K.	<u>4.63</u>

Chart 5
(Friday, Sept. 8)

Treasury bills: U.K.	<u>5.14</u>
U.S.	<u>4.27</u>
Spread favor U.K.	<u>+ .87</u>
Forward pound	<u>- .81</u>
Net incentive (U.K. +)	<u>+ .06</u>

Chart 2
(Friday, Sept. 8)

Euro-\$ deposits:

Call	<u>4.25</u>	90-day	<u>4.94</u>
30-day	<u>4.62</u>	180-day	<u>5.50</u>
	<u>4.75</u>	(Sept. 8)	
Hire-purchase paper	<u>5.69</u>		
(Sept. 1)			
Local-authority deposit	<u>5.53</u>		
(Sept. 1)			

Chart 3
Upper Panel (Period: Sept. 7)

Chart 6
(Friday, Sept. 8)

Treasury bills: U.S.	<u>4.27</u>
U.K.	<u>5.14</u>
Canada	<u>4.26</u>
Interbank loan rate (German)	<u>3.50</u>
Euro-\$ deposit (London)	<u>4.94</u>
Zurich 3-month deposit	
(Date: <u>Aug. 15</u>)	<u>3.25</u>
Japan composite rate	
(Date: <u>June 30</u>)	<u>7.29</u>

Interbank loan (mid-point) 3.50

Euro-\$ deposit (average) 4.98

Lower Panel (Date: Aug. 15)

Zurich 3-month deposit	<u>3.25*</u>
Price of gold	<u>35.190</u>
(Friday, <u>Sept. 1</u>)	

Chart 7

U.S. Gov't. (Wed., <u>Sept. 6</u>)	<u>4.87</u>
U.K. War Loan (Thurs., <u>Sept. 7</u>)	<u>6.83</u>
German Fed. (Fri., <u>Sept. 8</u>)	<u>6.71</u>
Swiss Confed. (Fri., <u>Sept. 1</u>)	<u>4.55</u>
Canadian Gov't. (Wed., <u>Sept. 6</u>)	<u>6.04</u>
Netherlands Gov't. perpetual 3%	
(Friday, <u>Sept. 1</u>)	<u>5.63</u>
Euro-\$ bonds (Fri., <u>Sept. 8</u>)	<u>6.42**</u>

Chart 4
(Friday, Sept. 8)

Treasury bills: Canada	<u>4.26</u>
U.S.	<u>4.27</u>
Spread favor Canada	<u>- .01</u>
Forward Canadian \$	<u>-1.03</u>
Net incentive (Canada +)	<u>-1.04</u>
Canadian finance paper	<u>5.75</u>

* July 23 3.75
31 3.75
Aug. 7 3.25

For descriptions and sources of data, see special supplement to H.13, Number 239, March 16, 1966.

**Revised:

June 2	6.37	July 7	6.58
9	6.46	14	6.50
16	6.43	21	6.44
23	6.54	28	6.46
30	6.56	Aug. 4	6.40